



## Appendix I

### Impulse Responses

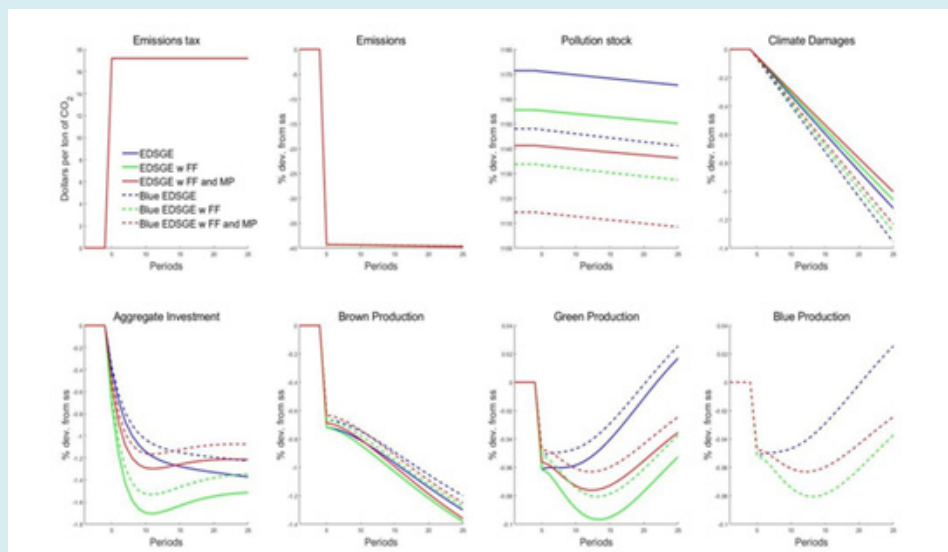


Figure 1: Baseline Result.

### Emissions Shock

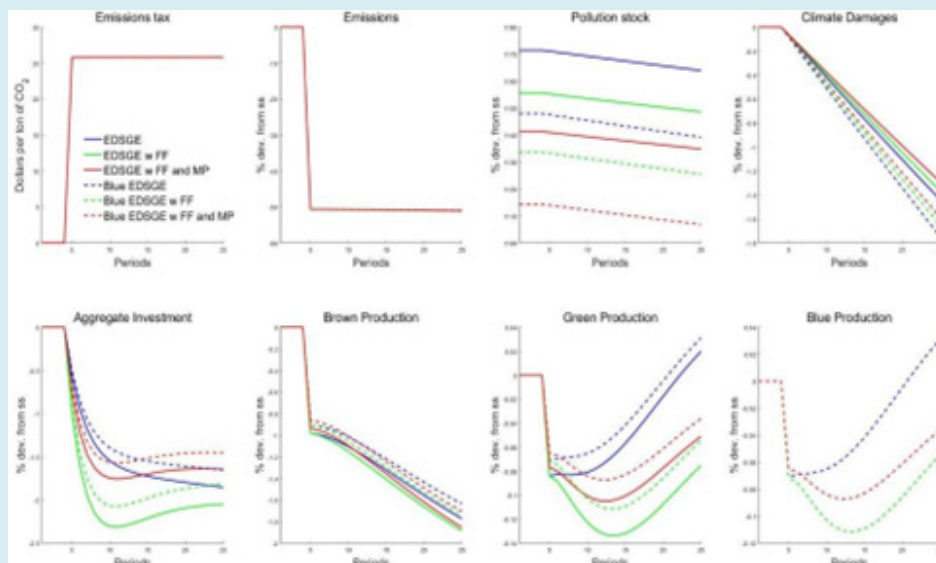


Figure 2: Carbon tax increased to 0.0288.

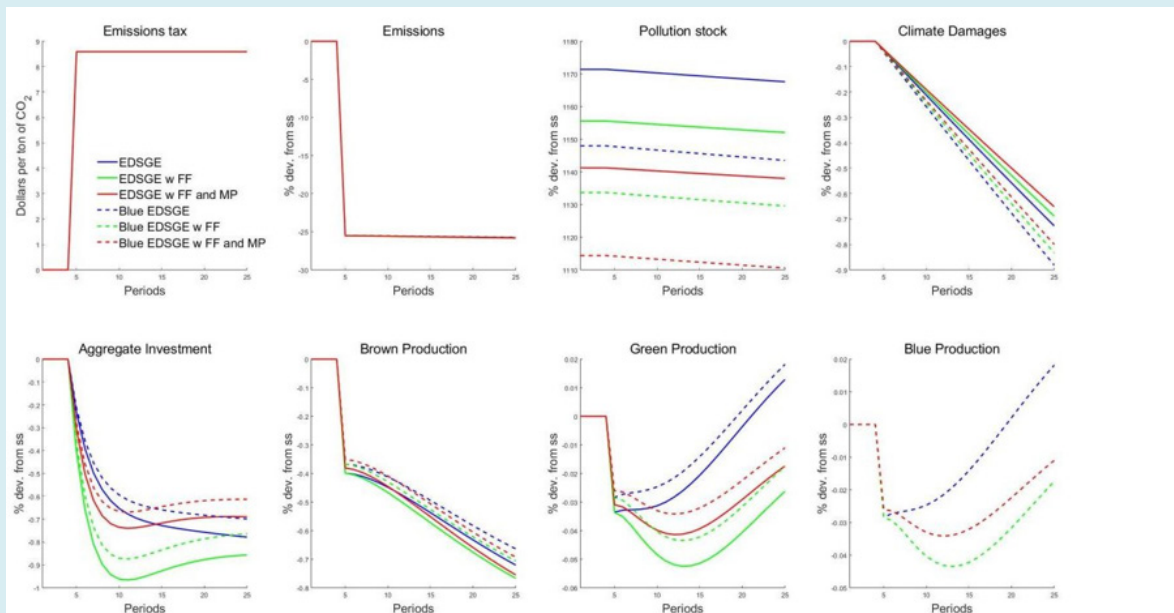


Figure 3: Carbon tax decreased to 0.0096.

### Capital Shock

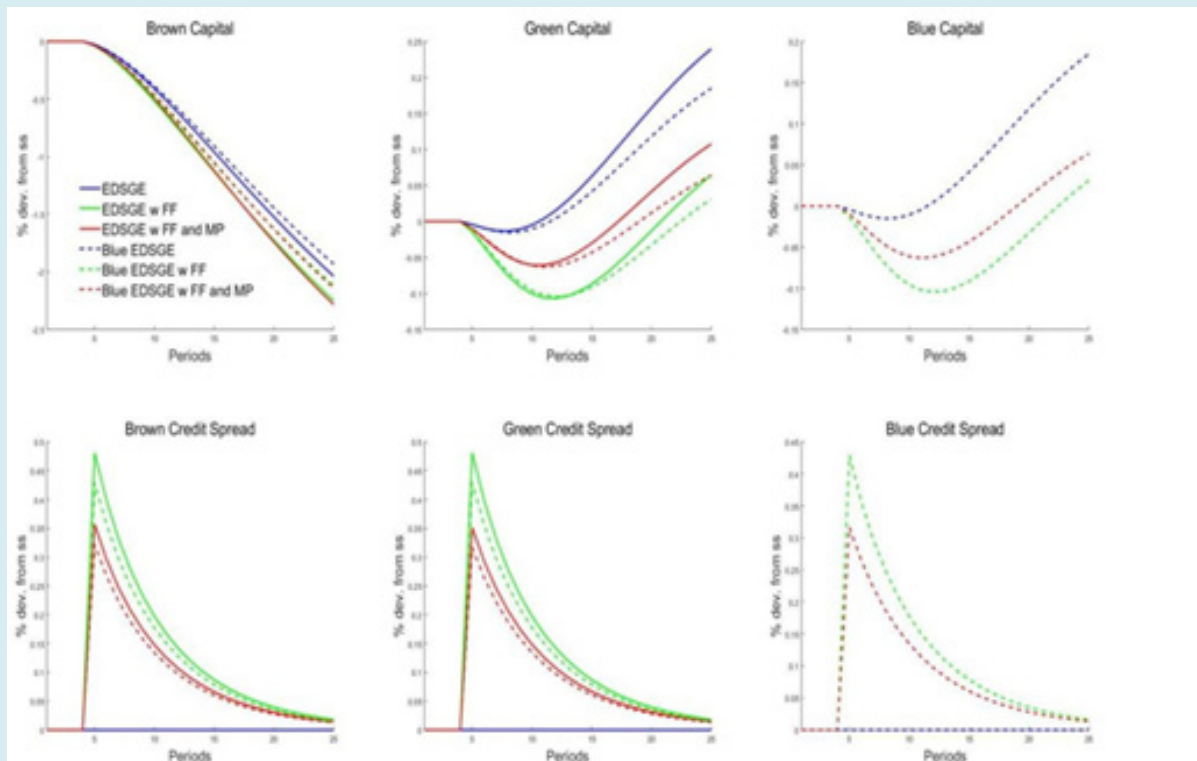


Figure 4: Carbon tax increased to 0.0288.

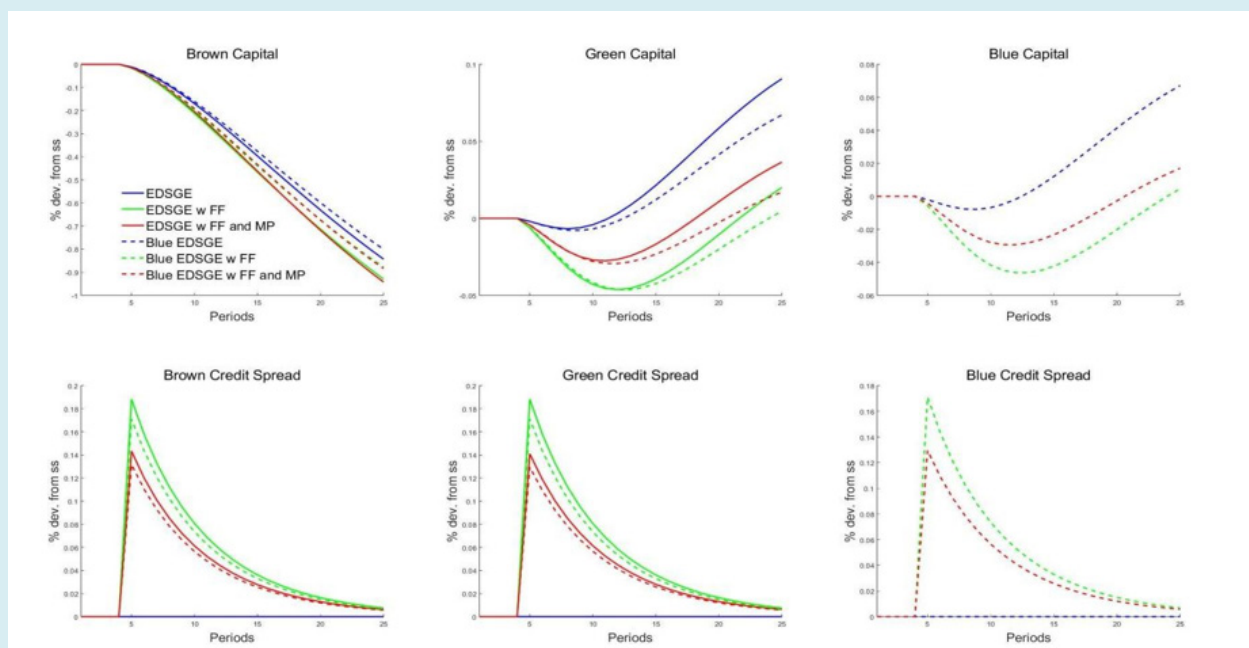


Figure 5: Carbon tax decreased to 0.0096.

### Pollution Stock Shock

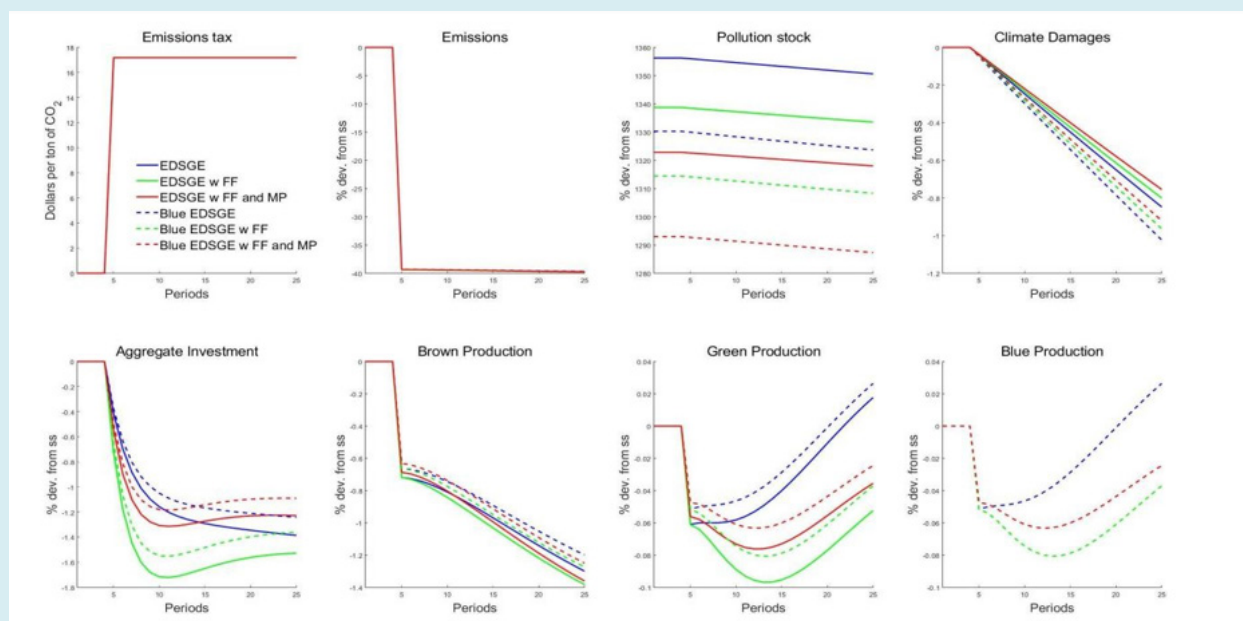


Figure 6: Pollution decay increased to 0.997.

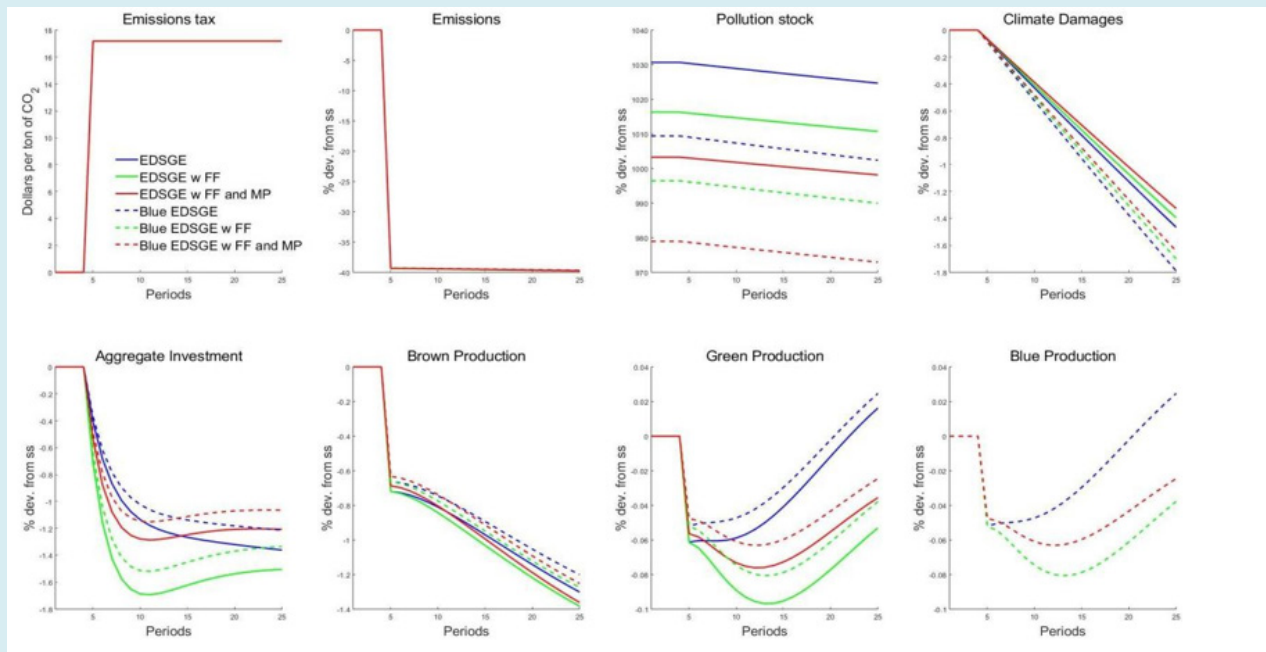


Figure 7: Pollution decay decreased to 0.996.

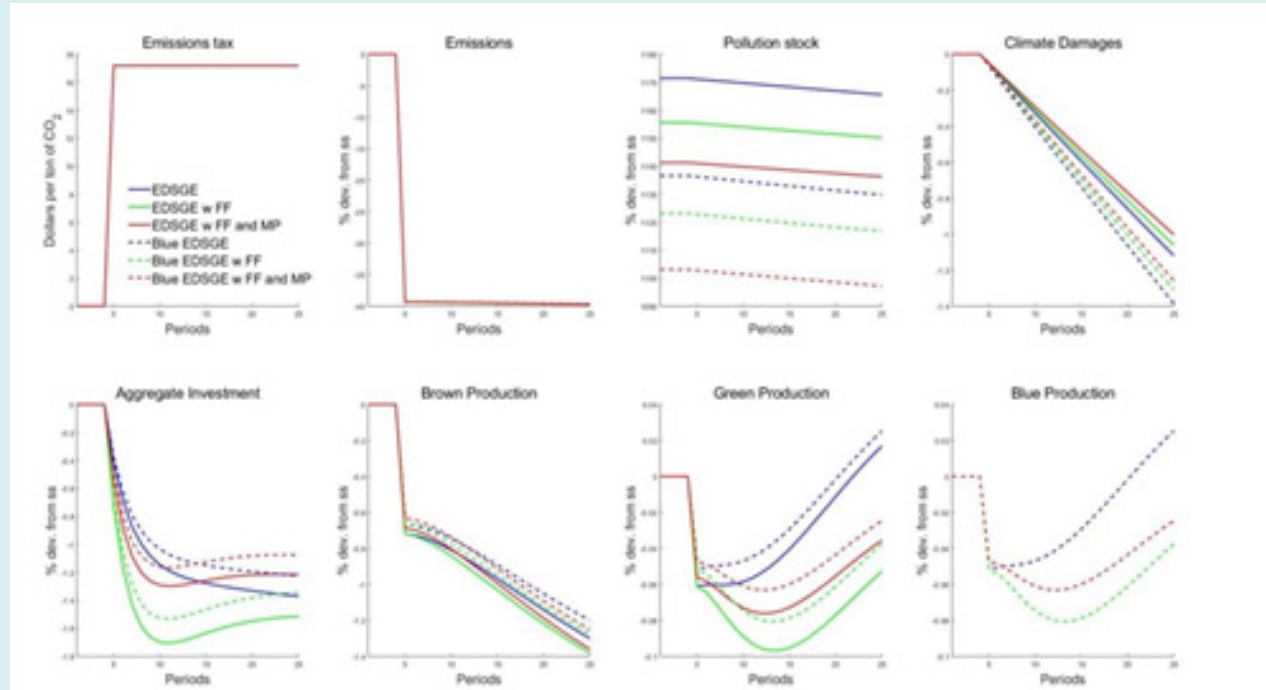
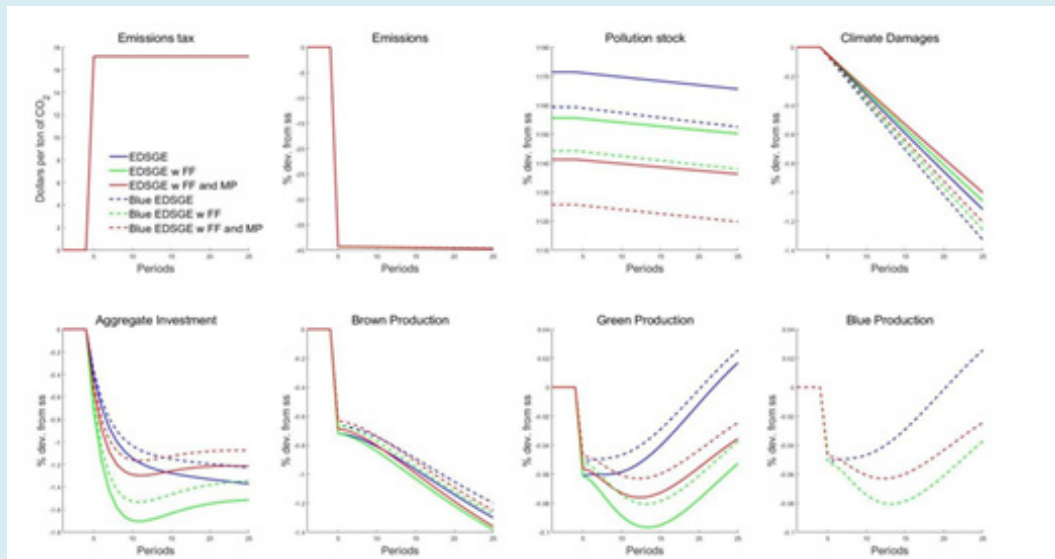


Figure 8: Carbon capture increased to 0.6.



**Figure 9:** Carbon capture decreased to 0.4.